

Your Home Buying Roadmap

STEP 1 THE OFFER

- **Purchase Price**
- **Earnest Money Deposit (EMD):** Typically 3% of purchase price; held in escrow by title company.
- **Contingencies:** Inspection, financing, and appraisal contingencies protect the buyer.
- **Timeline:** Seller has a set period to accept, counter, or reject the offer.
- **Counters:** Negotiations may go back and forth — each counter resets the clock
- **Timeline:** The whole process from executing the offer to the closing table can last on average 30-45 days.

STEP 2 HOME INSPECTION

- **Inspector** hired by buyer — typically \$300–\$600 depending on size of the property.
 - **Report:** Detailed written report with photos delivered within 24–48 hours.
 - **Negotiation:** Buyer may request repairs, a price reduction, or a seller credit. Mostly if issues with key items like electric, plumbing...**cosmetic items are usually not considered**
 - **Inspection period:** Usually 8–10 days after contract execution.
- ⚠ **Exit / Back-Out Rights**
- During the inspection period: You may cancel for ANY reason and receive your full EMD back.

STEP 3 APPRAISAL

- Ordered by lender; paid by buyer (typically \$500–\$800).
- A licensed appraiser determines the value of the property.
- The lender will only lend on the appraised value — not the purchase price.
- **Low appraisal options:** Renegotiate price, buyer pays the difference, or cancel.
- **Timeline:** Usually completed within 1–3 weeks of going under contract.

⚠ **Exit / Back-Out Rights**

- Appraisal contingency: If the home appraises below purchase price and parties cannot agree, buyer can cancel and recover EMD.

STEP 4 LOAN APPROVAL & UNDERWRITING

- Underwriter reviews income, assets, credit, and property details.
- **Conditions:** Lender issues conditional approval — you must satisfy all conditions.
- **Documents needed:** Pay stubs, tax returns, bank statements, employment verification.
- **Clear to Close (CTC):** Final approval; lender is ready to fund the loan.
- **Avoid: New debt, job changes, or large purchases during this period. Use your credit card with extra caution. Do not open new credit cards.**

⚠ Exit / Back-Out Rights

- **Financing contingency:** If your loan is formally denied, you can cancel and recover your EMD.
- **Deadline matters:** You must formally cancel before the financing contingency deadline.
- **After contingency removal:** Canceling due to financing may result in loss of EMD.

STEP 5 TITLE COMPANY ROLE : title company chosen by Sellers.

- **Title search:** Confirms seller has legal right to sell; uncovers liens or ownership issues.
- **Title insurance:** Protects buyer and lender from undiscovered title defects.
- **Escrow:** Title company holds funds and documents until all conditions are met.
- **Closing Disclosure (CD):** Issued about 3 days before closing — review carefully.
- **Coordinates:** Works with lender, agents, buyer, and seller to schedule closing.

⚠ Exit / Back-Out Rights

- **Title issues:** If a clear title cannot be delivered, the buyer can cancel and recover EMD.
- **Review the CD closely:** Errors in fees or figures can delay or alter the transaction.

STEP 6 HOA / CONDO ASSOCIATION REVIEW

- **Application:** Buyer submits an application to the HOA or condo association for approval.
- **Fee:** Application fees vary — typically \$100–\$500; usually non-refundable.
- **Interview:** Some associations require an in-person or written interview before approval.
- **Condo documents:** Seller must provide a list of condo documents.
- **Review period:** Buyer typically has 7 business days to review condo docs after receipt — read them carefully.
- **What to look for:** Pending special assessments, reserve fund health, rental restrictions, pet policies, and litigation and more.
- **Approval timeline:** Association approval can take 2–4 weeks

⚠ Exit / Back-Out Rights

- **Condo document review period:** Buyer may cancel and recover EMD if they find unacceptable terms within the review window.
- **Association denial:** If the HOA formally denies the buyer's application, the contract can be canceled and EMD returned.

STEP 7 CLOSING DAY

- **Final walkthrough:** Typically 24 hours before closing — confirm property condition.
- **Sign documents:** Loan docs, deed, title transfer, and closing disclosure.
- **Wire funds:** Bring certified funds or wire closing costs and down payment in advance.
- **Recording:** Title company records the deed with the county — official transfer of ownership.
- **Keys:** Once funded and recorded, you receive the keys — you are now a homeowner!

△ Exit / Back-Out Rights

- **Last-minute cancellation:** Canceling at or near closing without a valid contingency will likely result in forfeiture of your EMD.
- **Seller default:** If the seller backs out without cause, buyer may pursue EMD return or specific performance.